

October 1, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**REQUEST FOR APPROPRIATION ADJUSTMENTS -
FY 2001-02 BUDGET CLOSING ACTIONS (4-VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the attached Appropriation Adjustment transferring \$2.1 million from the Provisional Financing Uses (PFU) Budget to the Sheriff's Department Custody Budget.
2. Approve the attached Appropriation Adjustment transferring \$3,113,000 from the Appropriation for Contingencies to establish the Reserve for SB 90 Long-term Receivables as an offset of accrued revenues in fiscal year 2001-02.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

SHERIFF

The requested action will allocate \$2.1 million in appropriation for staffing costs required for Correctional Treatment Center (CTC) licensing for the Twin Towers Correctional Facility for the 2001-02 fiscal year.

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SB 90

In the recently approved 2002-03 California State budget, the State reduced State mandate reimbursements (SB 90), including indefinite suspension of local government claim payments, to balance their budget shortfall. The budget temporarily suspends payment of local government claims (except for \$1,000 per program to indicate intent to eventually fund each claim) and defers payments on prior years as well as new claims.

The County has established a reserve for long-term receivables in the event that accruals established for SB 90 related claims are not reimbursed by the State. The adjustment reflects the claim amounts accrued in fiscal year 2001-02 for affected departments to meet closing budget expectations. These amounts, however, do not represent the total SB 90 receivables that were reported by departments for fiscal year 2001-02.

SB 90, enacted in 1972, requires the State to reimburse units of local government for all costs incurred as a result of any legislative act or regulation that imposes a new program or increases the level of service in an existing program.

It is recommended that the County establish the Reserve for SB 90 Long-term Receivables in the event the State does not reimburse the County for SB 90 costs incurred for which revenue was accrued in fiscal year 2001-02.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

These actions support the County's Strategic Plan Goal of Fiscal Responsibility.

FISCAL IMPACT/FINANCING

Sheriff

None. The requested transaction provides appropriation for \$2.1 million in over realized State Criminal Alien Assistance Program (SCAAP) revenue to offset CTC staffing costs for the 2001-02 fiscal year.

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SB 90

This recommendation appropriates funding available from the Appropriation for Contingencies to establish the Reserve for SB 90 Long-term Receivables. Financing is available in the Appropriation for Contingencies.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Sheriff

On December 18, 2001, the Board of Supervisors instructed the Chief Administrative Office (CAO) to set aside \$2.5 million in over realized SCAAP revenue in the PFU Budget to reimburse the Sheriff's Department for actual expenditures for CTC staffing. As reported to the Board in a CAO memorandum dated July 9, 2002 (attached), the total cost incurred by the Sheriff's Department was \$2.1 million for the 2001-02 fiscal year. This action is necessary to allow the Sheriff to meet its closing budget projections.

SB 90

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Sheriff

None. The requested transaction will provide \$2.1 million in appropriation for over realized revenue to offset CTC staffing costs incurred during the 2001-02 fiscal year.

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SB 90

Retains a reserve in the General Fund for accrued SB 90 claimed revenues owed by the State of California.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:DL
RG:MO:ljp

Attachments

c: Executive Officer/Clerk of the Board
Auditor-Controller
County Counsel
Sheriff

closing actions-wp.bm